

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION AND NOTICE OF CAMPBELL)	
COUNTY KENTUCKY WATER DISTRICT)	
(A) TO ISSUE REVENUE BONDS IN THE)	
APPROXIMATE PRINCIPAL AMOUNT OF)	
\$6,535,000)	
(B) TO CONSTRUCT ADDITIONAL PLANT)	CASE NO. 89-029
FACILITIES OF APPROXIMATELY)	
\$4,523,000)	
(C) NOTICE OF ADJUSTMENT OF RATES)	
EFFECTIVE MAY 1, 1989)	
(D) SUBMISSION OF LONG-TERM WATER)	
SUPPLY CONTRACT)	

O R D E R

IT IS ORDERED that Campbell County Kentucky Water District ("Campbell County") shall file the original and 12 copies of the following information with the Commission, with a copy to all parties of record, not later than October 5, 1989. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application or in any other filing, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. If

the information cannot be provided by this date, Campbell County should submit a motion for an extension of time stating the reason delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Refer to Exhibit S, Schedule 6, Item 2.1, of the application. Provide a detailed analysis of the proposed salary increases, to include a brief job description, actual 1988 salary level, and proposed 1989 salary level of each employee.

2. a. How does Campbell County determine its pension expense?

b. Show all calculations used to derive the proposed adjustment to pension expense stated in Exhibit S, Schedule 6, Item 2.2, of the application.

3. Refer to Exhibit S, Schedule 6, Item 3, of the application. Show all calculations used to determine that 12.4 percent of the salaries and benefits are attributable to new construction.

4. Refer to Exhibit S, Schedule 7, Item 3, of the application. Provide a detailed explanation of the proposed adjustment to Transmission and Distribution Expense. Show all calculations used to derive the proposed adjustment.

5. Refer to Exhibit S, Schedule 6, Item 5, of the application. Provide supporting documentation, e.g. written price quotation, for the estimated \$3,500 increase.

6. Refer to Exhibit S, Schedule 7, of the application. List all costs included in "rate study expense." Provide supporting documentation for this expense.

7. Refer to Exhibit S, Schedule 19, of the pre-filed testimony of Carlos Miller. Provide a depreciation schedule for the proposed facilities listing the cost and depreciable life of all components of these proposed facilities.

8. Refer to Exhibit S, Schedule 19, of the pre-filed testimony of Carlos Miller. Provide supporting documentation of Campbell County's liability to the city of Silver Grove, including an amortization schedule and a copy of the special agreement between Campbell County and the city of Silver Grove.

9. a. Refer to Exhibit S, Schedule 17, of the application. Show all calculations used to derive the proposed adjustment to interest income.

b. Exhibit C, Note 7, of the application states that funds generated from interest earned on a U.S. Treasury Note combined with escrow principal will be sufficient to service and retire the Silver Grove revenue bond indebtedness. Why is it necessary to generate revenues from rates to service that debt as Campbell County proposes in Exhibit S, Schedule 8, of the application?

10. Does the amortization schedule of Campbell County's Water Revenue Refunding Bonds, 1989 Series A, submitted in response to Item 1 of the Commission's Order of August 22, 1989 supercede the amortization schedule found at Exhibit S, Schedule 1, of the application? If not, why not?

11. According to Item 7(a) of Campbell County's response to the Commission's Order of August 22, 1989, the balance of the

temporary cash investment account for October 1988 through December 1988 was as follows:

October 1988	\$449,506
November 1988	45,445
December 1988	140,000

Explain the drastic variance in this account.

12. a. Were the Water Revenue Refunding Bonds, 1989 Series A, used only to refinance Campbell County's previous bond issues? If not, to what other uses were the proceeds of this bond issue put?

b. What measures, if any, has Campbell County taken to extinguish the Water Works System Revenue Bond Debt as described in Exhibit C, page 14, Note 10, of the application?

13. a. Provide schedules in comparative form showing the rates charged by the city of Newport for the purchase of water from 1984 through 1989.

b. Provide a copy of the most recent purchased water contract between Campbell County and the city of Newport. Is this contract still effective?

14. Refer to Exhibit S, Schedule 15, Item 1, of the application.

a. Provide a copy of all calculations used to determine the proposed rate design.

b. Provide an explanation as to how the proposed change in rate design will be fair to both Campbell County and its customers.

15. Refer to Exhibit 8, Schedule 15, Item 2, of the application. Why is the wholesale rate for Pendleton County Water District higher than for the other wholesale customers?

Done at Frankfort, Kentucky this 25th day of September, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director